dealt with before the close of the 7th day ; and not more than half a day can be allotted to any one demand. At the end of the time allotted for the discussion of each demand all pending motions in respect of it will automatically lapse ; and at 5 o'clock on the evening of the last of the days allotted, every question in connection with the disposal of all outstanding matters in connection with demands for grants will be put to the House under Rule 49 (3).

As in previous years, each member other than the Financial Secretary will be allowed, during the general discussion stage, not more than 20 minutes. When voting on demands for grants, every mover and the official member who has the right of reply will be allowed 10 minutes each, the other members being given 5 minutes each. Following the precedent in past years, these motions for reduction need not be seconded. Government will be glad if the non-official members will, at the general discussion stage, afford sufficient time to the official members to reply to the points raised. Printed forms have been supplied to the members for sending in their motions for reduction.

Mr. George will now present the Budget for 1101 M. E.

FINANCIAL STATEMENT.

MR. K. GEORGE (*Financial Secretary to Government*) : Sir, I rise to introduce the budget estimate of the State for the year 1101. When I presented the budget of the current year, I estimated that in 1099 we would realise a revenue of Rs. 200·52 lakhs and spend Rs. 197·03 lakhs, resulting in a surplus of Rs. 3·49 lakhs. At the same time, I frankly admitted the unavoidable uncertainty in the estimates caused by the unprecedented floods which occurred last year after the revised estimates were framed and I asked the House to be prepared for a deficit rather than a surplus. It is however a matter for real satisfaction that my apprehensions have proved to be groundless. From the accounts of 1099, it will be seen that the year closed with a surplus of Rs. 4·06 lakhs, the revenue receipts having amounted to Rs. 199·54 lakhs and the expenditure met from revenue to Rs. 195·48 lakhs. The difference between the revised estimates and the actuals was a decrease of Rs. ·98 lakh under receipts and of Rs. 1·55 lakhs under expenditure. This variation is trifling in an estimate of nearly Rs. 2 crores. Briefly, the fall in the revenue was under Excise and Customs, both together contributing a decrease of Rs. 1·38 lakhs. This was due to the dislocation of trade and business on account of the floods. The decrease of Rs. 1·55 lakhs under expenditure was the result mainly of small increases and decreases under several major heads, the chief item being a lapse of Rs. ·87 lakh under Education.

REVIEW OF THE YEAR 1100.

Before proceeding to review our financial position for the current year, there are two subjects of some importance to which I wish briefly to refer. The first is the scheme for a State-aided Bank for

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[Mr. K. George.]

Travancore. Government have recently issued final orders on this subject. The proposed Bank is to be a purely non-official concern under indigenous management. State aid to the Bank will consist chiefly of

(i) the grant of a deposit equal to half the paid-up capital without interest and another deposit of an equal amount on easy terms of interest, subject, in the aggregate, to a maximum of Rs. 5 lakhs, and

(ii) the payment of half the working expenses up to a limit of Rs. 10,000 per year for the first five years.

The concessions are granted subject to certain conditions one of which is the appointment of a Government officer on the Board of Directors.

The opening of the Bank now depends solely on the Board of Provisional Directors and the public. Government hope that the Bank will be an accomplished fact in the near future and that it will prove to be a boon to the people of Travancore.

The other subject is of far greater importance and relates to our participation in the Cochin Harbour Scheme. Our negotiations in the matter have resulted in our agreeing to participate. The scheme consists of four stages. The first stage includes the work already done in connection with the investigation and protection works. The second stage includes the work done in connection with the experiment in cutting the bar. The third stage will include all works subsequent to the first and second stages and will extend to the point at which it becomes a regular practice for ocean-going steamers to enter the bar and discharge at moorings inside the backwaters. The fourth stage will include all further works that may be found necessary to convert the harbour into a really important port.

The first and second stages have been completed and we have already paid our share of the cost, *viz.*, Rs. 3,83,000. The first payment of Bh. Rs. 3 lakhs was made in 1098 and it was treated as an advance to the Cochin Port Trust. The sum of Rs. 78,000 which is one-third of the expenditure incurred on the first stage was paid only recently and it appears in the revised estimate of the current year as Capital Expenditure not charged to Revenue, the payment being in the nature of a final grant to the Port authority. The payment of Bh. Rs. 3 lakhs was first regarded as a loan but since it is now understood that it is neither repayable nor interest-bearing, that amount may also have to be treated as an investment by the State in a reproductive work, in which case it too will be written back to this head.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*) : May I know how this particular sum advanced once as a *loan* is now treated as an *investment* ?

PRESIDENT : I think the member is out of order. The question of further information can come up in the discussion stage.

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MR. P. K. NARAYANA PILLAI (*Ambalapuzha*) : The particular passage is not clear. He says originally it was a loan and now it is not a loan.

PRESIDENT : I think all that can come up when the discussion on the Budget arises.

MR. K. GEORGE (*Financial Secretary to Government*) : The third stage will be financed by the harbour authorities out of their revenues, assisted, if necessary, by loans granted by the Madras Government. The fourth stage will probably have to be financed in the first instance by money provided by the Government of Madras and the Travancore and Cochin Governments.

If the experiment in opening the bar proves to be a failure, then the money already provided will have to be written off by the parties concerned. On the other hand, should the experiment prove a success, with effect from the first April next following the date when it becomes the practice for ocean-going steamers to enter the bar and discharge at moorings inside the backwater, the division of the net customs revenue, which is at present made between the Cochin Government and the Government of India, will be changed into a division into three equal parts between the Government of India, and the Travancore and Cochin Governments. This division will apply to all import and export duties collected at the British port of Cochin and in any port in the Cochin territory and to all import duties collected at any port on the backwaters in Travancore territory, that is, from Quilon to Munambam, both inclusive. But all export duties levied at our ports and land customs stations will be retained by us. Also, the arrangement for the division of the export duty on tea between the British Government and Travancore will continue as at present.

I trust that the House will agree with me when I say that it is of little use just now to speculate as to what the scheme will hold for us in the future. I have therefore contented myself with a mere statement of facts.

Coming to the revised estimate of the current year, I may remind the House that, in my statement last year, I expressed the same uncertainty about the estimates of revenue and expenditure of the current year as existed in the case of the last year. It was impossible then to forecast the effect of the floods on our finances and naturally I asked the House to consider the estimates as more or less provisional. Here also I am glad to say that the actual results have belied my fears. The heavy monsoon of last year has not been altogether an unmixed evil. The harvests this year have been generally good. The cocoanut and pepper crops have been more than usually abundant and these are reflected in our customs receipts.

REVENUE.

For the current year, we estimated an income of Rs. 198·25 lakhs and an expenditure of Rs. 199·18 lakhs, chargeable to revenue, that is, for a deficit of nearly Rs. ·93 lakh. According to the revised estimate

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